

In the Matter of

No. D 00-105

CONSENT ORDER IMPOSING A FINE

1. Affiliated FM Insurance Company ("Affiliated") is authorized to transact insurance business in Washington state.

3. Since 1987, Affiliated has written 42 new and renewal policies in this program, for a total written premium of \$20,343. In April of 2000, Affiliated submitted rate and form filings in which it acknowledged its previous failure to and obtain approval of rates and forms for the additional homeowners' policies described above. The filings submitted in April of 2000 were disapproved on May 24, 2000, but have subsequently been approved.

4. On May 24, 2000, the Senior Actuary at the OIC sent Affiliated an inquiry about this matter. The insurer's response was prompt and candid.

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CONCLUSIONS OF LAW:

1. Affiliated sold 42 new or renewal policies consisting of forms and rates which were not only not approved, but which had been specifically disapproved. This represented 42 violations of RCW 48.18.100(1) and RCW 48.19.040, a total of 84 violations.
2. In partial mitigation of the violations, the Commissioner finds that they were not intentional. In addition, Affiliated has been candid and cooperative with the Commissioner's staff regarding this matter.
3. RCW 48.05.140(1) authorizes the Commissioner to suspend or revoke an insurer's certificate of authority if the insurer "Fails to comply with any provision of the code other than those for violation of which...suspension or revocation is mandatory, or which fails to comply with any proper order or regulation of the Commissioner". In addition, RCW 48.05.185 authorizes the Commissioner, after hearing or with the consent of the insurer, to levy a fine in an amount not less than two hundred fifty dollars and not more than ten thousand dollars per violation, in addition to or in lieu of suspension or revocation of the insurer's certificate of authority.

CONSENT TO ORDER

1. Affiliated FM Insurance Company hereby stipulates and agrees to the foregoing Findings of Fact and Conclusions of Law. Affiliated FM Insurance Company also stipulates to the imposition of a fine in the amount of \$5000 (five thousand dollars and no/100), in lieu of proceedings against the insurer's certificate of authority. This sum is to be paid in full within thirty days of the entry of this order at Lacey, Washington. If the fine is not timely paid in full, the Insurance Commissioner shall revoke the certificate of authority held by the insurer in Washington state, and the fine shall be recoverable in a civil action brought on behalf of the Insurance Commissioner by the Attorney General, pursuant to RCW 48.05.185.
2. Affiliated FM Insurance Company acknowledges its duty to comply with all the applicable laws and regulations of Washington state, including but not limited to filing requirements for contract forms and rates.

Signed this _____ of _____, 2000.

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Affiliated FM Insurance Company, by

Typed Name:

Typed Corporate Title:

IT IS ORDERED that pursuant to RCW 48.05.140 and RCW 48.05.185, the Insurance Commissioner imposes a fine upon Affiliated FM Insurance Company in the amount of \$5000 (five thousand dollars and no/100), in lieu of proceedings against the insurer's certificate of authority in Washington state. This sum is to be paid in full within 30 days of the entry of this order in Lacey, Washington. If the fine is not paid timely and in full, the Insurance Commissioner shall revoke the certificate of authority held by Affiliated FM Insurance Company in this state, and the fine will be recoverable in a civil proceeding brought on behalf of the Insurance Commissioner by the Attorney General, pursuant to RCW 48.05.185.

SIGNED AND ENTERED this _____ day of _____, 2000.

By _____
William Kay Kirby
Deputy Assistant Insurance Commissioner
Division of Legal Affairs